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FAS REPORT

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE WR 45-83

WASHINGTON, Nov. 9--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade

GRAIN AND FEED

SPAIN is reportedly stepping up grain purchases because of reduced feed grain supplies and increased feeding of wheat. Recent attempts to purchase French soft wheat have apparently fallen through, opening up the possibility for the United States to meet Spanish import requirements. Spain has authorized wheat imports of up to 750,000 tons. Some 100,000 tons of French wheat had been contracted; however, the transaction apparently is blocked because of difficulties in French compliance with Spanish shipping requirements. An additional 450,000 tons of French wheat were under consideration, but the deal reportedly did not materialize because of inadequate European Community restitution levels. The United States could sell substantial quantities of grain to Spain if offers are competitive. Price is a key factor in selling to Spain, along with the use of Spanish ships, if available.

OILSEEDS AND PRODUCTS

INDIA's 1983/84 peanut crop is estimated at a record 7.3 million tons, according to the U.S. agricultural counselor in New Delhi. The revised forecast puts the crop marginally above the previous record of 7.23 million tons harvested in 1981/82 and sharply above the drought-reduced 1982/83 crop. Record yields are expected as a result of favorable rainfall distribution in July and August, as well as timely rains in September and early October. kharif (fall harvested) peanut prospects are reported good to excellent in all major producing states. Also, an expanded rabi (spring harvested) peanut area is likely as farmers are encouraged by ample availability of irrigation water.

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INDIA's total oilseed production for 1983/84 is estimated at a record 14.4 million tons, up from 12.2 million in 1982/83. During the same period, vegetable oil imports are expected to decline somewhat to 1.115 million tons from 1.157 million in 1982/83. Soybean oil imports are forecast to decline to 325,000 tons in 1983/84, down from 450,000 tons the previous year.

Forecasts of a bumper peanut crop caused a steady downward trend in the prices of peanut oil and other vegetable oils in India in October. Trade sources expect peanut oil prices to continue declining through December.

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European Community buyers have been hesitant to enter into contracts with Indian peanut exporters because of fears of unacceptable aflatoxin limits. Limited EC market interest in India's hand picked select peanuts has resulted in India's export offers being lowered to $300 to $400 per ton below U.S. prices on world markets.

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SPAIN's Council of Ministers has approved an edible vegetable oil regulation for 1983/84 that maintains the maximum annual quota on the domestic consumption of soybean oil at 90,000 tons. With the disincentive of price controls that tend to favor domestically produced olive and sunflowerseed oils, it is doubtful that soybean oil consumption will reach this maximum level. Soybean oil consumption is expected to be limited to food processing uses, and competition from Spain in world soybean oil markets will continue.

DAIRY, LIVESTOCK AND POULTRY

AUSTRALIA's Bureau of Statistics has revised cattle number estimates as of March 1, 1983, to 22.471 million, down 8.5 percent from March 1982 levels. Sheep and lamb numbers were estimated at 133.186 million, 3.5 percent below year-ago levels.

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The NEW ZEALAND Meat and Wool Board has estimated beef cattle numbers on June 30, 1983, at 4.58 million, 7 percent below year-ago levels. Total sheep numbers were estimated at 70 million head, slightly below year-earlier levels and the first decline in seven years.

COTTON AND FIBERS

The 1983/84 SYRIAN cotton crop is forecast at 750,000 bales, approximately 3 percent above last year's 726,000 bales, according to the U.S. agricultural attache in Damascus. The crop, which suffered from a late start due to excessive rainfall as well as low temperatures in some growing areas, is presently being harvested under favorable weather conditions. The government's cotton expansion program has continued to show positive results since 1980.

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MEXICO has announced an initial 1983/84 cotton export quota of 200,000 bales that will be effective until Dec. 31, 1983. Government and industry representatives will then review the supply situation and make appropriate recommendations for possible expansion of the quota. Mexican cotton exports totaled 400,000 bales in 1982/83 and may reach 300,000-350,000 this season.

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TOBACCO

CANADA's 1983 tobacco output has rebounded from last year's frost-reduced crop. The U.S. agricultural counselor in Ottawa estimates the total 1983 tobacco crop at 110,568 tons (farm sales weight), up 58 percent from last year, with flue-cured production at 108,000 tons, up 60 percent. The growing season in the prime tobacco regions of southwestern Ontario was one of the hottest and driest in decades. However, tobacco yields and quality were not seriously affected.

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MALAWI's flue-cured auction sales for 28 weeks through October 13 totaled 21,117 tons at an average price of 1.91 kwachas (US$1.69) per kilogram. For the same period in 1982, sales were 22,103 tons at an average price of 2.13 kwachas per kilogram.

Burley sales for the 28 weeks ending October 13 were 34,543 tons at an average price of 1.31 kwachas (US$1.16) per kilogram. The 1983 average price is far below the 1982 average of 2.16 kwachas for the same time period.

Total sales of all types of tobacco for the 28 weeks were 70,460 tons, valued at 118 million kwachas. Sales for the same period in 1982 were 58,519 tons, valued at 134 million kwachas.

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INDONESIA's tobacco usage in 1983 is reported slightly higher than in 1982, while both imports and exports are marginally lower. Good quality tobacco crops, coupled with the rupiah devaluation of March 30, 1983, have reduced imports, while slack demand for cigar wrapper tobacco in the world market has lowered exports. The 1983 tobacco imports are estimated at 15,000 tons, compared with 16,600 tons in 1982, while exports are expected at 18,000 tons against 19,400 tons in 1982. Reduced imports of U.S. tobacco this year made up most of that decline. At the same time, other foreign tobacco, notably Brazilian leaf, is reportedly becoming more acceptable to the Indonesian cigarette manufacturing industry.

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INDIA's exports of unmanufactured tobacco during January-September 1983 were 62,533 tons, a decline of 34 percent from January-September 1982. The Soviet Union was the largest purchaser with 20,498 tons, followed by the United Kingdom with 15,755 tons. Reduced shipments to the Soviet Union by nearly one-half and absence of Chinese purchases are the main reasons for lower exports. The current estimate for 1983 exports is around 75,000 tons, compared with 97,887 tons exported in 1982.

WOOD AND WOOD PRODUCTS

In FRANCE, forests cover approximately 14 million hectares -- one-fourth of the country's land and more than 40 percent of the total forested area in the European Community. Hardwoods, mainly oak, beech and poplar, account for two-thirds of the total area.

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For the past several years, the inventory of standing timber has remained relatively stable at about 1.6 billion cubic meters (CUM). However, due to the depressed economy, the actual volume harvested has been trending downward--from 36,828,000 CUM in 1981, to an estimated 35,100,000 CUM in 1983.

French production of selected wood products for 1981-83 is estimated as follows in 1,000 cubic meters:

	1981	1982	1983
Logs	17,948	17,481	17,400
Softwood lumber	5,412	5,371	5,400
Temperate hardwood lumber	2,861	2,408	2,400
Tropical hardwood lumber	561	555	520
Plywood	537	514	477
Particleboard	2,290	2,193	1,988

French consumption of wood products has been declining since 1980 due to the depressed economy's effects on building activity. The outlook for 1983 is for a continuing decline in wood products consumption due to a further reduction in building activity and lower consumer purchasing power. Housing starts are expected to drop 3 to 5 percent.

France is a net exporter of both softwood and hardwood logs, as well as temperate hardwood lumber. Reflecting the general state of the world building industry, France's exports of all three items have slumped substantially since 1980. France is also a net importer--mainly of tropical hardwood logs, softwood and tropical hardwood lumber and panel products. Tropical hardwood logs are imported primarily from African producers, and softwood lumber from Canada and Northern European suppliers (Sweden, Finland, Norway, USSR and Poland).

The United States has been traditionally the largest supplier of temperate hardwood lumber to France. In 1982, it accounted for 67 percent of French hardwood lumber imports. The U.S. share of French imports of plywood rose from 10 percent in 1981 to 15 percent in 1982.

Selected International Prices

Item	Nov. 8, 1983		Change from previous week	A year ago
ROTTERDAM PRICES 1/	$ per MT	$ per bu.	$ per MT	$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5%.	208.00	5.66	+2.00	N.Q.
U.S. No. 2 DNS/NS: 14%...	188.00	5.12	+1.50	178.00
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--	N.Q.
U.S. No. 2 S.R.W..........	161.00	4.38	+2.00	152.00
U.S. No. 3 H.A.D.........	205.00	5.58	+2.00	176.00
Canadian No. 1 A: Durum..	213.00	5.80	-5.50	193.00
Feed grains:				
U.S. No. 3 Yellow Corn....	163.50	4.15	+3.00	116.00
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	N.Q.
Feed Barley 3/...........	N.Q.	--	--	N.Q.
Soybeans and meal:				
U.S. No. 2 Yellow.........	338.20	9.20	+16.45	229.00
Brazil 47/48% SoyaPellets 4/	297.00	--	+10.00	218.00
U.S. 44% Soybean Meal.....	270.00	--	+8.00	209.00
U.S. FARM PRICES 5/				
Wheat....................	128.60	3.50	--	125.66
Barley...................	100.13	2.18	+.92	61.55
Corn.....................	129.13	3.28	+1.57	85.03
Sorghum..................	110.23	5.00 6/	+1.32	82.89
Broilers 7/..............	1192.47	--	+15.21	N.A.
EC IMPORT LEVIES				
Wheat 8/................	71.30	1.94	-4.10	91.35
Barley..................	50.20	1.09	-3.10	103.05
Corn....................	41.25	1.05	-4.55	94.90
Sorghum.................	58.40	1.48	-5.00	90.40
Broilers 9/.............	249.90	--	0 10/	254.00
EC INTERVENTION PRICES 10/				
Common wheat(feed quality)	165.75	4.51	-2.74	170.60
Bread wheat (min. quality)	181.95	4.95	-3.01	188.35
Barley and all other feed grains.......	165.75	--	-2.74	170.60
Broilers 11/.............	1264.00	--	+91.00	1112.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat 12/................	40.10	1.09	+.21	71.05
Wheat flour..............	N.Q.	N.Q.	N.Q.	N.Q.
Barley...................	25.60	0.56	+.72	71.75
Broilers 9/..............	171.00	--	N.A. 10/	187.00
Sugar, refined	N.Q.	N.Q.	N.Q.	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects lower EC export subsidy-down to 20.00 ECU/100 bag effective 14 Sept 83 from 22.50 ECU/100 bag set in Feb 1983. 11/ F.o.b. price for R.T.C. broilers at West German border. 12/ Corrective amount in ECU's: Nov. -8, and Dec. -10. Jan. zero. N.Q.=Not quoted. N.A.=None authorized. Note: Basis November delivery.

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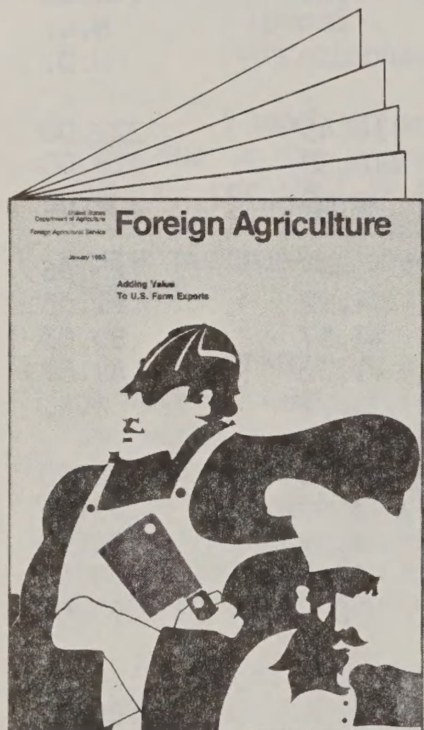

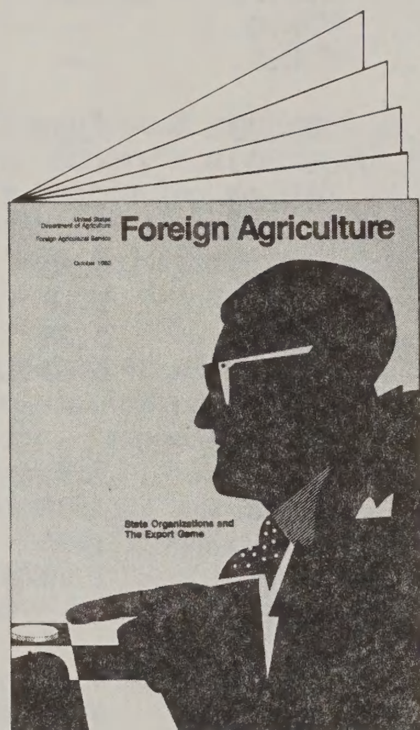

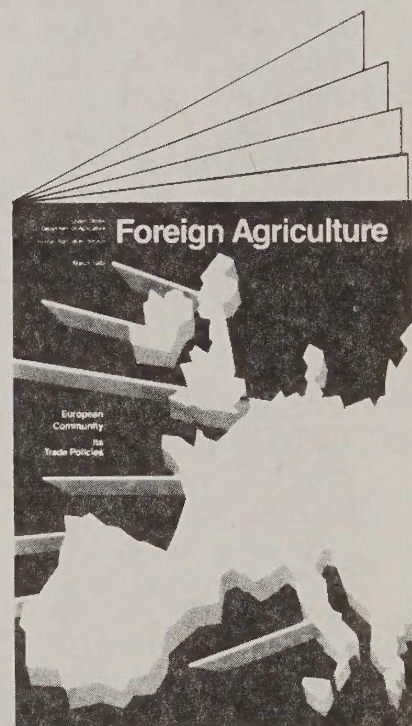

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